ASX RELEASE
26 August 2010

Another successful year for MoxDuo® Pain Therapy Development

More Effective, Fewer Side Effects Than Competing Products

Sydney, Australia and Bedminster, New Jersey – QRxPharma Limited (ASX: QRX and OTCQX: QRXPY) announced during the financial year ended 30 June 2010 the successful completion of one of two Phase 3 pivotal studies comparing the efficacy and safety profile of MoxDuo IR against component doses of morphine and oxycodone.

Financial results released today reported the Company retaining $12.8 million in cash reserves at 30 June 2010. The net loss from ordinary activities of $27.3 million (2009: net loss $13.5 million) was in line with expectations of the Board of Directors, and resulted from fulfilling research and development activities in the progression of the Company's clincial pipeline candidates and preclinical stage drugs.

"During the financial year ended 30 June 2010, the Company added significant shareholder value by successfully completing pivotal clinical trials and establishing strategic partnerships that will accelerate our progress towards product approval and commercialisation," said Dr. John Holaday, Managing Director and CEO.

QRxPharma has treated more than 600 patients with MoxDuo IR in eight Phase 2 and Phase 3 studies following bunionectomy or total knee replacement surgery. Further data from studies with its intravenous formulation of Dual Opioid® (MoxDuo IV) compared with intravenous morphine in 40 patients following hip replacement surgery demonstrated superior pain relief with fewer side effects. Collectively, results have consistently shown that MoxDuo, whether given orally or intravenously, provides superior pain relief with significantly fewer side effects than comparator opioids like Morphine, Oxycodone or Percocet®.

"Clearly, by opening the therapeutic window for physicians and patients seeking relief for moderate to severe pain, we are able to address the global US$12 billion marketplace for opioid drugs with superior products to manage pain from the hospital to the home," Dr Holaday added.

"2010 has been a pivotal year for QRxPharma as we near completion of clinical trials for MoxDuo IR that will enable filing of our New Drug Application (NDA) with the US Food and Drug Administration (FDA) in Q1 CY2011 and commercialisation in 2012," concluded Dr Holaday.

Key highlights for the financial year ended 30 June 2010 include:

MoxDuo IR (an immediate-release oral tablet for acute pain): In April 2010, the Company announced the successful completion of the first of two pivotal Phase 3 studies required for the submission of a NDA with the FDA. The trial enrolled 522 patients at six US clinical research sites and the primary and secondary endpoints were met. In February 2010, the Company initiated its second Phase 3 registrational trial to compare the effectiveness and safety of a flexible MoxDuo IR. Dosing of 140 patients is expected to be completed by end of Q3 CY2010 and the Company is targeting to file its NDA for MoxDuo IR in Q1 CY2011.

A Phase 3 program pilot comparator study completed in August 2009 of MoxDuo IR in 44 patients who underwent knee replacement surgery against Percocet demonstrated greater overall tolerability with substantially fewer incidences of moderate to severe nausea, vomiting, constipation, and hypotension than Percocet.

MoxDuo IV (an intravenous formulation for moderate to severe hospital-based pain): The Company recently announced the results of a 40 patient Phase 2 comparative proof-of-concept study of MoxDuo IV versus IV morphine alone. The data has demonstrated that QRxPharma's formulation of MoxDuo IV resulted in fewer side effects and offered better pain relief than morphine alone.

In February 2010, the Company announced a strategic alliance to collaborate in the development of MoxDuo IV with Aoxing Pharmaceutical Company (NYSE AMEX:AXN). Aoxing has also licensed MoxDuo IR for the Chinese marketplace, with QRxPharma providing the product for distribution.

MoxDuo CR (a controlled-release oral tablet for chronic pain): In May 2010, the Company successfully completed a Phase 1 trial for MoxDuo CR, which was conducted in 14 normal healthy volunteers at one US clinical research site. The results were consistent with expectations for a twice-daily formulation and keep QRxPharma on track to finalise the MoxDuo CR tablet in early 2011 and to initiate Phase 2 trials shortly thereafter.

Venomics: The Company completed in October 2009 a strategic alliance with Liaoning Nuokang Medicines Co Ltd, a Chinese biopharmaceutical company to develop and commercialise QRxPharma's venomics assets for the Chinese market. Data generated through the development of these products in China will support partnering activities in other territories, the rights of which have been retained by QRxPharma's subsidiary, Venomics Pty Limited.

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Forward Looking Statements

This release contains forward-looking statements. Forward-looking statements are statements that are not historical facts; they include statements about our beliefs and expectations. Any statement in this release that states our intentions, beliefs, expectations or predictions (and the assumptions underlying them) is a forward-looking statement. These statements are based on plans, estimates and projections as they are currently available to the management of QRxPharma. Forward-looking statements therefore speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events. By their very nature, forward-looking statements involve risks and uncertainties. A number of important factors could therefore cause actual results to differ materially from those contained in any forward-looking statement. Such factors include risks relating to the stage of products under development; uncertainties relating to clinical trials; dependence on third parties; future capital needs; and risks relating to the commercialisation of the Company's proposed products.

About QRxPharma

QRxPharma (ASX: QRX and OTCQX: QRXPY) is a clinical-stage specialty pharmaceutical company focused on the development and commercialisation of new treatments for pain management and central nervous system (CNS) disorders. Based on a development strategy which focuses on enhancing and expanding the clinical utility of currently marketed compounds, the Company's product portfolio includes both late and early stage clinical drug candidates with the potential for reduced risk, abbreviated development paths, and improved patient outcomes. The Company intends to co-promote its products in the US and seeks strategic partnerships for worldwide markets. QRxPharma's lead product candidate, MoxDuo®IR, is in Phase 3 clinical development and has successfully completed multiple comparative studies evaluating its efficacy and safety against equi-analgesic doses of morphine, oxycodone and Percocet® for the treatment of acute pain. QRxPharma expects to complete its Phase 3 program in Q4 CY2010 and file its New Drug Application (NDA) with the US Food and Drug Administration (FDA) for MoxDuo IR in Q1 CY2011. The Company's preclinical and clinical pipeline includes other technologies in the fields of pain management, neurodegenerative disease and venomics. For more information, visitwww.qrxpharma.com.